

Local 230 Settlement Proposal of June 21, 2010

Term: Term of the agreement will be July 1, 2009 thru June 30, 2011

2009/2010

0 % wage increase.

2010/2011

- 0 % wage increase.
- On a one-time basis all unit employees will contribute an amount equal to 5.25% of their base pay as an additional contributions to the retirement plan. This payment will be made on a pre-tax basis through payroll deduction pursuant to IRS Code Section 414(h)(2). This contribution shall be credited to an employee's individual account for purposes of refunds, where such refunds are required or permitted under the Plan to be given to an employee. This contribution shall terminate effective the last full pay period of June 2011.
- The City will reduce its retirement contribution by a commensurate 5.25%, generating substantial ongoing general fund savings for multiple years.

Healthcare cost reduction:

L230 is offering the city council two options for consideration and will accept either option decided upon by the City Council to present to our membership for ratification.

Option 1

- On an ongoing basis effective July 1, 2010 all unit employees will contribute an amount equal to .92% of their base pay as an additional pre-tax contributions to the retirement plan. This contribution will be on going.

-OR-

Option 2

Premium cost sharing

Effective July 1, 2010, the city shall pay 85% of the full premium cost of the lowest priced plan for employee or employee and dependent coverage, and the employee will pay 15% of the premium for the lowest priced plan for employee or employee and dependent coverage. If an employee selects a plan other than the lowest priced plan, the employee shall pay the difference between the total cost of the selected plan and city's contribution towards the lowest priced plan for employee or employee and dependent coverage.

Increased Co-Pays

- Effective July 1, 2010, co-pays for all available HMO plans shall be as follows:
 - a. Office Visit Co-pay shall be increased to \$25
 - b. Prescription Co-pay shall be increased to \$10 for generic and \$25 for brand name
 - c. Emergency Room Co-pay shall be increased to \$100
 - d. Inpatient/Outpatient procedure Co-pay shall be increased to \$100

Payment In-Lieu of Health and Dental Insurance

Effective June 27, 2010, employees who qualify for and participate in the payment-in-lieu of health and/or dental insurance program will receive the following per pay period:

	Health In-Lieu	Dental In-Lieu
If eligible for family coverage:	\$221.84	\$19.95
If NOT eligible for family coverage:	\$89.09	\$19.95

Dual Coverage reduction

A City employee who receives healthcare coverage as a dependent of another City employee or retiree shall be deemed not eligible for family coverage.

Strengthening Retirement Health Care Funding

Effective July 1, 2010, the parties agree that for the next 5 fiscal years, bargaining unit employees shall contribute towards retiree medical benefits, with a pre-tax contribution, equal to but not more than those made by active San Jose police officers.

- The parties agree that the contributions made effective July 1, 2010 shall be held in trust for the sole and exclusive purpose of funding firefighter retiree healthcare benefits.

As was directed by the City council in adoption of the March Budget Message for Fiscal Year 2010-2011; "To the extent possible, concessions from non-sworn bargaining units should primarily be used to save non-sworn positions, and savings from the sworn bargaining units should be primarily be used to save sworn positions."

The parties agree that for purposes of future negotiations/arbitrations the compensation levels established by this agreement do not necessarily place Local 230 members in an appropriate labor market position

REOPENER

In the event that during the term of this agreement the City reaches a settlement with SJPOA that provides a different term or different compensation and/or benefits than that contained in this agreement, the parties agree that Local 230 may reopen this agreement to bargain over its provisions. The parties agree that they will meet within ten (10) calendar days of the City Council approving a SJPOA agreement that contains provisions that trigger this re-opener clause.

There shall be no other changes to the MOU between the City and San Jose Fire Fighters IAFF Local 230.